

TOWN OF DAVIE
TOWN COUNCIL AGENDA REPORT

TO: Mayor and Councilmembers

FROM/PHONE: Barbara McDaniel, MMC, Assistant Town Clerk / 954-797-1023

PREPARED BY: Barbara McDaniel, MMC, Assistant Town Clerk

SUBJECT: Minutes

AFFECTED DISTRICT: n/a

ITEM REQUEST: Schedule for Council Meeting

TITLE OF AGENDA ITEM: June 16, 2009 (Budget Meeting)

REPORT IN BRIEF: Council minutes from the June 16, 2009 Council meeting.

PREVIOUS ACTIONS: n/a

CONCURRENCES: n/a

FISCAL IMPACT: not applicable

Has request been budgeted? n/a

RECOMMENDATION(S): Other - Motion to approve

Attachment(s): June 16, 2009 minutes

TOWN OF DAVIE
WORKSHOP MEETING
JUNE 16, 2009

The meeting was called to order at 12:07 p.m.

Present at the meeting were Mayor Paul, Vice-Mayor Crowley and Councilmembers Caletka, Luis (arrived at 12:13 p.m.) and Starkey. Also present were Town Administrator Shimun, Town Attorney Rayson, and Assistant Town Clerk McDaniel recording the meeting.

Executive Assistant Kristi Caravella said she wanted to make a connection between the strategic planning goal setting session and personnel costs for the Town. She stated some things had changed since their goal setting session held in March, so some ideas they had brought to Council then were no longer feasible. For instance, Senate Bill 2282 made it impossible for the Town to impose accident recovery fees.

Ms. Caravella had developed two themes for her presentation: efficiency and collaboration. She said they were internally auditing all operations to identify ways they could save and reminded Council that last year, they had discussed reorganization of Development Services. In the past year, they had worked closely with departments affected by this reorganization and identified redundancies and deficiencies in items that should be changed.

Ms. Caravella said they must be more efficient with what they had. She referred to a chart indicating that in 2006, the Town had 837 employees, and it now had 671 employees, which included 34 seasonal employees. Ms. Caravella stated that permit clerks in the Building, Engineering and Planning and Zoning Divisions were cross-trained to increase efficiency. They also discovered that technology might be hindering the Town in some ways and they might make better decisions regarding technology.

Ms. Caravella said the next area of focus would be Parks and Recreation and Public Works, and they intended to do this same in-depth audit on these departments. She explained that a strategic planning steering committee was helping each department come up with business plans to become more efficient. Another aspect of efficiency was having good people, managing people and developing people, and Ms. Caravella stated they had identified many good employees who were willing to go the extra mile to make the Town more efficient.

Ms. Caravella drew Council's attention to a personnel savings proposal that included positions that had been restructured and eliminated. She explained that Human Resources was needed to help them take the last step to reclassify and eliminate positions where needed. Ms. Caravella said the personnel changes in the proposal had already been budgeted, so if changes were made, this must be added to the Town's deficit.

Ms. Caravella reported that building revenues were down 20% and engineering revenues were down from \$93,000 in January to \$14,000 in April. This necessitated taking immediate action on personnel savings. Ms. Caravella advised that Budget and Finance Director William Ackerman would present a personnel savings proposal that required action across the entire Town, union and nonunion employees alike.

Mr. Shimun had met with Councilmembers individually to discuss personnel reductions, and Councilmember Starkey had suggested Council discuss this during their meeting. Mr. Shimun agreed that Council should decide collectively whether or not to discuss it. He said that there were 11 currently filled positions that needed to be eliminated and added that there were a number of positions that were not filled that would also be eliminated. Councilmember Caletka indicated that he had always been a strong supporter that this was the administrative right and he didn't have any reason to change his mind on this issue now. Councilmember Luis pointed out that Councilmembers were part-time and he assumed that what was suggested was best for these particular departments. He did not feel it was Council's position to decide which jobs should be eliminated. Vice-Mayor Crowley agreed it was the Town Administrator's responsibility to make these decisions.

Councilmember Starkey said that it was Council's responsibility to watch this as it went forward and if there were any significant changes or philosophical differences regarding reorganization, Council should be made aware of it and take action in a very transparent way. She stated that the way this had been presented to her was that Mr. Shuman would take care of this matter over the summer, and therefore it would not be done in a public way. Councilmember Starkey objected to the fact that statistics regarding the Building Division had not been provided to Council, nor had options been presented. She believed the public should hear this issue and Council should make these decisions collectively. Councilmember Starkey felt it was inappropriate for Mr. Shuman to make these decisions over the summer to "take the heat off of the Town Council." She further objected to the fact that Mr. Shuman had solicited Councilmembers' opinions individually and not collectively regarding this issue.

Mayor Paul admitted that it was difficult to lay people off but hiring and firing was the sole discretion of the Town Administrator. She suggested contracting out the entire Building Division and the Engineering Department to save money. Mayor Paul felt it was Mr. Shimun's responsibility to hire and fire, but she did not personally agree with everything and wanted to see if there were other areas where money could be saved to possibly save some jobs.

Councilmember Starkey asked exactly how many positions were being cut. Mayor Paul stated that 31 positions were proposed for next year. Councilmember Starkey reiterated her question was how many positions would be cut this summer from the Building Division.

Budget and Finance Director Bill Ackerman noted that this was a process throughout the budget hearings. He advised that staff needed direction from Council today regarding how to handle certain issues.

The Economy:

Mr. Ackerman reminded everyone that the State of Florida had a very large deficit that had been filled in by raising taxes and fees by \$2 billion, and accepting approximately \$5 billion in federal stimulus money. He explained that the Town's two largest sources of revenue were property taxes and governmental revenue supplied by the State, which was based on population. Mr. Ackerman noted that both population and home values were decreasing.

Mr. Ackerman mentioned a few things he had gleaned from newspapers over the past few months on what municipalities throughout the State were doing to alleviate their budget crises. The City of Orlando, for instance, had turned down \$375,000 to hire additional cops because this would present an ongoing expense for the city. According to a National League of Cities survey, 84% of cities surveyed were facing fiscal difficulties.

Mr. Ackerman said that the Town was experiencing a 10% reduction [approximately \$9 million] in the General Fund. Regarding expenditures, he stated that the Town's biggest expenses were personnel and pensions, and much of this was driven by union contracts.

Options and Directions from Council

Mr. Ackerman said that his goal was to go through multiple options for revenue and expenditures, gain consensus on each item, and request Council's guidance.

On the revenue side, Council would consider:

- Millage Rate
- Fire Assessment
- Utility Tax

- Red Light Cameras
- Ambulance Transport Fees
- Misdemeanor Revenue
- Solid Waste Franchise Fees

On the expenditure side, Council would consider:

- Personnel
- Crossing Guards
- The Bus Route
- Converting the fitness center

Revenue

Millage Rate

Mr. Ackerman provided millage rates from municipalities comparable to Davie's size and remarked that their rate was good in comparison. He proposed a millage rate for next year of 4.8594, which would be a tax assessment of approximately \$36 million. On a \$220,000 home, the tax bill would be \$36 more next year. Mr. Shimun clarified that the "top" figure was what the voters had approved when they voted yes on Proposition 1 last year.

Vice-Mayor Crowley said that he would support this for budget and advertising purposes because Council could always roll back the rate.

Mayor Paul said she would not approve more than one thing that would "hit the pocketbooks of the residents." Mr. Ackerman noted that this millage rate would result in a resident paying less than he or she had a few years ago. Mayor Paul agreed to approve the 4.8594 millage rate because it could be rolled back later on.

Councilmember Caletka said that he agreed with the 4.7409 millage rate; however, he was unaware they would propose increasing it to the maximum under the law. His biggest issue was the Fire Assessment, and added that he would be happy to accept the 4.8594 millage rate if it would offset the Fire Assessment. He suspected there would also be a minor increase in the Fire Assessment, which defeated the purpose of keeping the millage rate lower.

Councilmember Starkey said that there were a number of things about which she had questions or concerns and felt it was premature to go through this without having answers to these questions. Mayor Paul believed they might want to revise their opinion after their discussions.

Mr. Ackerman confirmed that staff now had the rollback rate of 4.7409 for consideration.

Fire Assessment

Mr. Ackerman advised that the Fire Assessment was in good shape compared to other municipalities. He reminded Council that they had a study done a year ago and they were allowed to go up to \$280 for the Fire Assessment. When this had been brought to Council, they had determined the maximum would be \$150. Mr. Ackerman recommended increasing the Fire Assessment to \$140.

Mayor Paul felt this was "a bit of the jump" and if they increased the millage rate, she did not approve of another increase in the Fire Assessment.

Utility Tax

Mr. Ackerman advised that most municipalities in Broward County charged a utility tax. Vice-Mayor Crowley pointed out that the Town had experienced a large increase in water rates in the past year.

Red Light Cameras

Mr. Ackerman indicated that this would be a new revenue generator and stated that the plan was to equip five intersections with cameras. He estimated revenue for next year would be \$200,000.

Mayor Paul approved of this and Vice-Mayor Crowley agreed. Councilmember Starkey agreed but wanted this revenue to be put directly into public safety.

Councilmember Luis stated that this was originally presented to him as something that would save lives and felt it looked bad for the Town listing it as a revenue item.

Councilmember Caletka said he was previously vehemently opposed to red light cameras and part of his objection had been the process by which it was presented to Council. He asked the locations of intersections where the cameras would be installed. Major Jim Moyer explained that the chosen vendor would conduct a study to determine where to locate the cameras. Since they could possibly get them \$.2 million closer to their budget goals, Councilmember Caletka was inclined to support it now.

Ambulance Transport Fees

Mr. Ackerman said that the Town was behind the times on their rates for ambulance transport fees. A consultant had conducted a study and recommended an increase in rates that would result in an increase in revenue of \$381,000. He reminded Council that most of these fees were paid by insurance companies.

Councilmember Caletka wanted to make sure the policy would not change regarding Davie residents: if a resident did not have insurance, a collection agency would not be used to collect the fee. Fire Chief Joseph Montopoli stated this would not change.

Misdemeanor Revenue

Mr. Ackerman said this would generate \$20,000 per year, and entailed the Town Attorney prosecuting misdemeanors and ordinance violations, avoiding the Special Magistrate process. Councilmember Starkey asked for specifics. Mr. Rayson explained how this would work and stated the \$20,000 would be guaranteed net revenue after all expenses.

Solid Waste Franchise Fees

Mr. Ackerman reminded Council that the Waste Management contract would be presented for approval at the June 17th Council meeting. If this were accepted as presented, it would generate an additional \$260,000 in revenue next fiscal year.

Expenditures

Personnel

Mr. Ackerman explained that 14 departments had shown a decrease for next year. He stated that 71% of the Town's expenses were personnel related. For fiscal year 2010, police had a 3.7% cost-of-living increase in their contract plus a 5% step increase where applicable. Fire and general employees were scheduled for a 2.5% cost-of-living increase and a 5% increase where applicable.

Mr. Ackerman drew Council's attention to a graphic comparing 2001 and 2010 expenditures. In 2001, police expenditures accounted for \$17.6 million and had grown to \$35 million. Fire had been \$8.4 million in 2001 and had grown to \$23.3 million. All other expenditures had grown from \$26.7 million to \$34.2 million.

Mr. Ackerman stated for the 2010 fiscal year, they had budgeted 53% of police salaries toward pension costs and indicated that for fiscal year 2009, they were budgeted at 38%. For next fiscal year, they budgeted 40% of fire salaries toward pension costs and advised that in 2009, they were budgeted at 32%. Mr. Ackerman added that general/management was scheduled to increase from 18% to 24% next year.

Mr. Ackerman recommended a zero percent increase in cost of living and no step pay increases for all employees. He acknowledged that there were union contracts to consider, and he said they would work with the unions. Mr. Ackerman said they were seeking complete collaboration across the board, which would result in a \$2 million savings for the next fiscal year.

Councilmember Starkey noted that this proposal did not discuss negotiations for police, fire, or management. Mr. Ackerman explained that this proposal included all 691 employees. Councilmember Starkey requested a breakdown and a listing of the top 200 employees' salaries, benefits and pensions. She also requested additional options in the event that these reductions could not be met.

Councilmember Caletka said he favored this plan, especially the fact that everyone was treated exactly the same. Mr. Ackerman said if they did not obtain collaboration from one of the union groups, staff would suggest another area in which that group could make cuts to its own budget.

Councilmember Starkey wanted Council to adopt a policy statement indicating their support for staff's recommendation for across-the-board salary freezes. Mayor Paul believed that accepting the budget represented a policy statement.

Mr. Ackerman agreed to provide all Councilmembers with the data he had provided to Mayor Paul, as well as year-to-date information.

Crossing Guards, Green Bus Route, Converting the Fitness Center

Mr. Ackerman explained that the crossing guards, bus route and fitness center had not been included in staff's recommendation but he felt these should be brought to Council for consideration.

Mr. Ackerman advised that the elimination of crossing guards would save the Town approximately \$250,000 per year. Elimination of the green bus route would save \$68,000 from the general fund and \$40,000 from the Housing and Community Development funds. Converting the fitness center would result in a \$75,000 per year operating savings. This included eliminating the weight room and converting it to staff space. This would save capital money for finding a place for parks and recreation staff and would also allow a position to be eliminated because the fitness center would concentrate on aerobics, which was the core service.

Mayor Paul opposed eliminating the crossing guards as she believed this would necessitate locating police officers in their place. She also opposed eliminating the green bus route and indicated that she was investigating grants through the Department of Elder Affairs. Mayor Paul said she planned on rejoining the fitness center and believed the weight room was very important component. She felt there was room at Pine Island for offices without sacrificing the fitness center.

Councilmember Starkey agreed they should not eliminate the crossing guards or the green bus route and suggested that Council could consider charging a nominal fee for the bus service. She also opposed converting part of the fitness center for offices.

Vice-Mayor Crowley agreed with Mayor Paul and Councilmember Starkey regarding all three items.

Mayor Paul recommended that staff consider charging 50¢ per ride for the green bus route and increasing the fitness center fee by \$50. Councilmember Caletka felt that charging 50¢ per ride for the bus route would cause more administrative expenses than it was worth to collect. Vice-Mayor Crowley believed a \$50 per year increase for the fitness center was excessive.

Mr. Shimun calculated that Council now needed to make up \$3.6 million in the budget.

Mr. Ackerman said at their July 29th workshop, Council must discuss preliminary assessments for the millage rate and the fire assessment.

Mayor Paul suggested investigating charging the Community Redevelopment Agency for police services in zones located in their district, which was done in other communities. She also wanted further cuts in overtime for police and fire personnel. Vice-Mayor Crowley opposed this as he believed the time police and fire personnel served in overtime was well spent. Mr. Ackerman advised that it would be difficult to cut overtime at this point.

Mayor Paul advised that she had examined the organizational chart for the Fire Department, and believed it was a little “top heavy” and should be reviewed in relation to the number of Battalion Chiefs. She also felt they should renegotiate contracts for services such as vehicle repairs.

Mayor Paul asked what was included in next year's budget for the new fire station out west. Mr. Ackerman advised that the budget did not include any increase for additional employees next year. Chief Montopoli said they currently had the staff to cover it and staff was still in the process of negotiating a deal with Southwest Ranches.

Councilmember Luis suggested Council meet again at the end of the month to discuss the budget and felt that they could reconsider some vendor contracts. Councilmember Starkey agreed and said she wanted to go “department by department” to ask questions and make suggestions.

Councilmember Starkey felt they should aggressively pursue the Seminole compact because of the 441 corridor, for which they provided police services. Regarding the Seminole compact, Councilmember Caletka stated that the Town’s lobbyists had been hired by Hollywood and Hollywood had received \$1 million. Since these were also Davie lobbyists, Councilmember Caletka felt they should be given clear direction that they also work for Davie, and “next time when you are sitting at that table, give us a piece of the pie also because we've been paying you for years.” Mr. Shimun advised that the lobbyists had spoken on Davie's behalf but had gotten nowhere.

Councilmember Caletka stated that he was willing to be the third vote for an increase in the millage rate; however, he was against raising the fire assessment above \$104. Councilmember Starkey was willing to consider an increase in the fire assessment to between \$120 and \$140. Vice-Mayor Crowley supported a \$130 fire assessment for budget purposes. Councilmember Luis and Councilmember Starkey agreed.

Mr. Ackerman advised that this left a \$1.7 million deficit.

Council discussed the need for another meeting. Vice-Mayor Crowley wanted to reschedule their next budget meeting to allow additional time. Council agreed to cancel the budget workshop scheduled for July 29th and reschedule it for July 27th or 28th.

Mayor Paul referred to the Budget Advisory Committee's motions, which included considering alternative benefits for new hires. Councilmember Starkey had attended this meeting and pointed out that neither Mr. Ackerman nor Deputy Budget & Finance Director Carol Menke had been provided sufficient opportunity to respond to issues raised by the Committee.

There being no further business to discuss and no objections, the meeting was adjourned at 2:05 p.m.

Approved _____

Mayor/Councilmember

Town Clerk